



The State of New Hampshire Insurance Department

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Roger A. Sevigny
Commissioner

NEW HAMPSHIRE FIGHTS FAKE INSURANCE

Roger Sevigny, New Hampshire Insurance Commissioner, wants consumers to “Stop. Call. Confirm.”... Frank W. Abagnale of “Catch Me if You Can” serves as national spokesperson

Concord, New Hampshire - Nobody likes to be scammed. But, unfortunately, fake insurance policies are on the rise in every line of insurance, with New Hampshire consumers footing the bills in unpaid claims.

Teresa Orr is the face of fake insurance. When her husband, Pete, a NASCAR driver, died of cancer in 2002, Teresa not only had to deal with the death of her husband, but unpaid medical bills as well. That’s because an unlicensed insurance company failed to pay for his cancer treatment claims.

Unfortunately, Teresa isn’t alone. Just like counterfeit money, fake insurance may appear to be legitimate, but it is actually illegal and worthless. If you buy fake insurance, you’ll pay premiums, but your claims won’t be paid.

In the area of health insurance alone, the General Accounting Office reported 144 fake insurers nationwide sold bogus policies to more than 200,000 policy holders between 2000 and 2002, resulting in \$252 million in unpaid claims.

According to New Hampshire law, with very few exceptions, no insurance product can be sold by individual agents, brokers or companies without the approval of the New Hampshire Insurance Department. Fake insurance is any insurance plan that is intended to defraud consumers or businesses.

Everyone is at risk

Fake insurance can happen to anyone at any time with potentially disastrous results. However, frequent targets of unauthorized health insurance plans are older adults and small businesses or associations looking to reduce health insurance costs.

Fake insurance can be attractive because it's typically less expensive than legal policies. But that's because a fake policy does not provide sufficient – if any – coverage.

As a result of fake insurance policies, honest people and businesses are swindled, health is endangered, premiums stay high, and goods and services cost more.

Protecting yourself is easy

If you're not absolutely sure you're dealing with a reputable, licensed insurance provider, look for these three warning signs of fake insurance:

- Aggressive marketing and high-pressure, "you must sign today," sales approach with lots of fine print and disclaimers
- Premiums that are 15 percent or more under the average price for comparable insurance products on the market
- Few coverage limitations

So, how can you protect yourself against fake insurance? Just STOP ... CALL ... and CONFIRM before you buy insurance:

- STOP before signing anything or writing a check.
- CALL the New Hampshire Insurance Department at 1-800-852-3416.
- CONFIRM if the company is legitimate and licensed to do business in New Hampshire.

At your service

Contact the New Hampshire Insurance Department about fake insurance or any other insurance-related questions you may have. Your call might help us track down and take action against the con artists who sell fake insurance. Call 1-800-852-3416 or visit our web site www.nh.gov/insurance. And be sure to STOP ... CALL ... and CONFIRM.... before you buy insurance.